

USDA **RURAL** VIRGINIA DEVELOPMENT



Committed to the future of rural communities

2005 ANNUAL REPORT



2005 INVESTMENT

In Virginia

Single Family Housing

\$132,822,814

**Families Assisted
1,466**

Multi-Family Housing

\$12,847,042

Community Programs

\$144,886,425

Business

\$6,724,643

**Total Number of Jobs
Created
646**

| | | |
|------------------------------------|------------------|---------------------|
| Section 502 Direct Programs | | |
| Very Low Income | 152 Loans | \$16,815,072 |
| Low Income | 137 Loans | \$15,294,622 |
| Total | 289 Loans | \$32,109,694 |

| | | |
|---|------------------|--------------------|
| Section 504 Direct Loan/Grant Programs | | |
| 504 Loans | 129 Loans | \$774,028 |
| 504 Grants | 143 Loans | \$760,084 |
| Total | 272 Loans | \$1,534,112 |

| | | |
|---|------------------|---------------------|
| Section 502 Guaranteed Rural Housing (GRH) Program | | |
| GRH Purchase | 900 Loans | \$98,392,434 |
| GRH Refinance | 5 Loans | \$786,574 |
| Total | 905 Loans | \$99,179,008 |

| | | |
|---|------------------|--------------------|
| Section 515 Rural Rental Housing | | |
| Rehabilitation | 166 Units | \$2,560,000 |
| New Construction | 18 F.A. Units | \$200,000 |
| Total | 184 Units | \$2,760,000 |

| | | |
|--------------------------------------|------------------|--------------------|
| Section 521 Rental Assistance | | |
| Family | 614 Units | \$6,236,152 |
| Elderly | 383 Units | \$3,663,704 |
| Total | 997 Units | \$9,899,856 |

| | | |
|--|----------|-----------|
| Section 533 Housing Preservation Grants | | |
| Repairs | 36 Homes | \$187,186 |

| | | |
|------------------------|--------------------|---------------------|
| Water and Waste | | |
| Loans | 15 Loans | \$16,598,600 |
| Grants | 20 Grants | \$15,930,200 |
| Total | 35 Projects | \$32,528,800 |

| | | |
|--|----------|-----------|
| Technical Assistance and Training | | |
| Grants | 2 Grants | \$120,200 |

| | | |
|-------------------------------|---------|-----------|
| Solid Waste Management | | |
| Grants | 1 Grant | \$110,000 |

| | | |
|---|---------|-----------|
| Distance Learning and Telemedicine | | |
| Grants | 1 Grant | \$500,000 |

| | | |
|------------------|-------------------|--------------------|
| Broadband | | |
| Loan | 1 Loan | \$7,000,000 |
| Grant | 1 Grant | \$506,000 |
| Total | 2 Projects | \$7,506,000 |

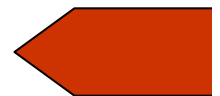
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|---------------------------|--------|--------------|
| Telecommunications | | |
| Loan - (Cellular) | 1 Loan | \$31,448,650 |

| | | |
|-----------------|---------|--------------|
| Electric | | |
| Loans | 2 Loans | \$26,000,000 |

| | | |
|-----------------------------|--------------------|---------------------|
| Community Facilities | | |
| Loans | 31 Loans | \$43,618,940 |
| Grants | 54 Grants | \$2,978,835 |
| Administrative Grant | 1 Grant | \$75,000 |
| Total | 86 Projects | \$46,672,775 |

| | | |
|--|--------------------|--------------------|
| Business-Cooperative Services | | |
| Business and Industry Guaranteed Loans | 1 Loan | \$5,000,000 |
| Rural Business Enterprise Grant | 6 Grants | \$620,000 |
| Value-Added Producer Grant | 2 Grant | \$120,000 |
| Rural Cooperative Development Grant | 2 Grants | \$484,643 |
| Intermedian Relending Program | 1 Loan | \$500,000 |
| Total | 12 Projects | \$6,724,643 |

Committed to
the future
of rural
communities.



\$297,280,924

Total 2005 Investment



Mike Johanns
Secretary
United States Department of Agriculture

On May 11, 2005, USDA Rural Development celebrated 70 years of service to America. Much has changed since 1935 when the crisis was the Depression, our mission was agricultural stabilization, and the cutting edge was rural electrification. Today, rural America is dynamic and diversified; the cutting edge is broadband and renewable energy. Our Rural Development mission is increasing economic opportunity and improving the quality of life in rural America. But from 1935 through today, one thing has remained constant: the commitment of the men and women of USDA Rural Development to the future of rural communities.

That commitment was demonstrated in dramatic form by the response of Rural Development to the unprecedented series of hurricanes that slammed into the Gulf Coast in the late summer and autumn of 2005. Hurricane Katrina—the most destructive storm ever to hit the United States in terms of property damage, though fortunately not in loss of life—was followed in rapid succession by Rita and Wilma. The damage was immense; the loss of life, heavy. Outside of New Orleans and Biloxi, most of the devastated areas were rural.

Rural Development personnel – including many who had lost their own homes – worked around the clock to staff recovery centers and provide shelter. They worked with our Federal, State, local and nonprofit partners to repair water, telecommunications, and electrical systems. By mid November, more than 9,700 evacuees had been housed in Rural Development-funded units in 42 States. And in the months and years ahead, Rural Development will pay an important role in rebuilding housing, community facilities, and infrastructure throughout the disaster area.

This is merely one example, although a dramatic one, of the vital work Rural Development is doing each and every day across Rural America. Since the beginning of the Bush Administration, Rural Development has invested more than \$63 billion and created or saved more than 1.1 million jobs in rural communities. We have assisted almost a quarter of a million rural families to achieve the dream of homeownership and invested almost \$5 billion in our business programs alone.

The future holds challenges, but it also holds great promise. As you plan for the future, USDA Rural Development is here to support you and your community. We are locally based; as your neighbors, our employees are rooted in your communities and share your values and concerns, just as we have since 1935. We are proud of Rural Development's record of achievement throughout the past 70 years and we look forward to working with you to bring increased opportunities to (state) as we work together to build an even stronger rural America.



Thomas Dorr
Under Secretary For Rural Development
United States Department of Agriculture

The face of rural America continues to change, and USDA Rural Development is changing with it. No longer the "lender of last resort," we are rural America's investment bank, a venture capital entity that creates jobs, promotes business development, and provides community facilities and affordable housing. Our goal is to build viable and sustainable rural communities.

In each of the last five years, the Bush Administration has invested about \$13 billion in rural America. Rural Development has provided housing, water and sewer funds, hundreds of millions of dollars in business loan guarantees, telecommunications and electricity loans and grants. Public safety buildings, rescue equipment, libraries, town halls and access to broadband have all been made possible through the efforts of Rural Development.

One of the biggest challenges facing our nation is the need for renewable energy. In our ongoing effort to promote development of new energy sources, USDA Rural Development in 2005 funded 154 renewable energy grants and two renewable energy loans totaling \$32.3 million. Additionally, through the Value Added Producer Grant program, Rural Development provided \$2.8 million for 30 more energy related projects. From wood fired generating plants to wind turbines, biofuel production and anaerobic digesters, USDA Rural Development is financing new sources of renewable energy while offering farmers and ranchers a potential new source of income.

What makes all this happen are the USDA Rural Development employees. The incredible job our employees did to provide aid to the victims of Hurricanes Katrina, Rita and Wilma was amazing. Working with our Federal, State and local partners, Rural Development found housing for thousands of evacuees, staffed over 80 recovery centers, handled thousands of calls and met face to face with thousands of victims. I'm proud of the job our employees do every day. They're highly skilled, dedicated, and truly "Committed to the Future of Rural Communities."

On behalf of the Rural Development employees in Virginia, I am proud to share with you our Fiscal Year 2005 Annual Report. It never ceases to amaze me how through the great work of the Rural Development staff combined with the efforts of our partners and the support of National Office we are able to deliver our programs that last year resulted in an investment of over \$297 million and created economic opportunity and improved the quality of life for thousands of rural residents in our great Commonwealth.

Despite the many challenges that this past year presented, including reductions of staff, Virginia persevered, as it always does to provide quality service to our customers. It is important to acknowledge that we couldn't have done this without our federal, state and local partners who contribute significant energy, resources and the same dedicated commitment to make it all happen. In the spirit of our appreciation and our resolve to continue and rededicate ourselves to these collaborative efforts, we thank you all.



Philip H. Stetson
Acting State Director

Increasing Economic Opportunity

Contact Us



Committed to the future of rural communities

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SUCCESS

USDA **RURAL** VIRGINIA **DEVELOPMENT**

Airport Facilities
Animal Shelter
Community Center
Courthouse
Downtown Revitalization
Elevated Water Tanks

Emergency Improvements
to Water Systems
Equipment
Fire Engines
Fire Hydrants
Fire Stations

Homebuyer Education
Hospital Improvements
Libraries
Medical Clinics
Museums
New Homes

New Water Lines
New Water System
Open-Air Pavilion
Police Cars
Rental Assistance
Rental Property
Rehabilitation of Multi-
Family Housing Units
Repair Homes

Sewage Gravity Mains and
Lift Stations
Technical Assistance
Town Hall Renovations
Training
Upgrade Water Treatment
Plants
Working Capital



Single Family Housing Programs provide homeownership opportunities to low and moderate-income rural Americans through several loan, grant, and loan guarantee programs. The programs also make funding available to individuals to finance vital improvements necessary to make their homes decent, safe, and sanitary.

Multi-Family Housing Programs offer rural rental housing loans to provide affordable multi-family rental housing for very low-, low-, and moderate-income families; the elderly; and persons with disabilities. Rural rental housing guaranteed loans are available for construction, acquisition, or rehabilitation of rural multifamily housing. In addition, deep subsidy rental assistance is available to eligible families.

Community Programs provide loans and grants and loan guarantees for water and environmental projects, as well as community facilities projects. Water and environmental projects include water systems, waste systems, solid waste, and storm drainage facilities. Community facilities projects develop essential community facilities for public use in rural areas and may include hospitals, fire protection, safety, as well as many other community-based initiatives.

Business Programs help create jobs and stimulate rural economies by providing financial backing for rural businesses. Loans, grants, and loan guarantees are available to any legally-organized entity, including cooperatives, partnerships, profit or nonprofit entities, Indian tribes or federally-recognized tribal groups, and municipalities. In addition, a wide range of technical assistance is provided to cooperatives and people interested in forming new cooperatives.

Building and Strengthening Communities

SUCCESS STORIES

Community Programs



Clean and Reliable Water for the Entire Community

With a median household income below the poverty level and an unemployment rate exceeding the State average, Dickenson County, Virginia is faced with many challenges. In the Big Caney area of the County, one challenge that has seemed insurmountable was the existing water system. This system had inadequate storage and undersized leaking distribution lines leaving customers without water service for long periods of time. With the experience of the Dickenson County Public Service Authority (PSA) and financial assistance from Rural Development, this challenge will now be conquered.

Rural Development provided loan and grant assistance to the Dickenson County PSA totaling 3.4 million dollars. Using Rural Development Community Program funding along with funds provided by the State of Virginia, the Big Caney water system now provides reliable water service to approximately 1,950 households in Dickenson County.

Faith in the Elderly

Aging baby boomers are the fastest growing segment of the current U.S. population. Caring for senior citizens in many rural communities often is overlooked by mainstream America. Rural based assisted living facilities are greatly needed especially in the poverty stricken counties of southwest Virginia. Under the Community Programs of Rural Development, a \$5,830,000 loan and a \$25,000 grant were made to Free Will Baptist Family Ministries to construct a new assisted living facility and Alzheimer's unit located in the Town of Wise. This region currently does not have an assisted living facility forcing the elderly to leave their communities. The facility will include 45 residential rooms including a special secure unit designed for patients suffering from Alzheimer's disease and will create 25 new jobs.

DREAMS COME TRUE



When Mrs. Mollie Lawrence, who says she is around 70 years old give or take a year, came through the door of the Courtland USDA Rural Development Office in the fall of 2003, she had great hope that she would be able to move from her aging rental house and become a homeowner for the first time in her life.

"After looking over several other houses in the City of Franklin that I was unable to get, this one became available and it was just what I was hoping for," said Mrs. Lawrence.

Mrs. Lawrence was assisted in her efforts by Mrs. Peggy Jordan in the Courtland Rural Development Office, the Franklin Redevelopment and Housing Authority, and the local Catholic Charities who provided for her closing costs.

The Rural Development Home Ownership Loan Program offers individuals and families the opportunity to own a modest home without exceeding the monthly expenses that most are accustomed to paying for rent and without requiring a cash down payment.

Mrs. Lawrence has eleven grandchildren and eleven great grandchildren, most of whom still live in the Franklin area, and now Mrs. Lawrence has plenty of room for all of their pictures and, of course, room for them to come and visit.

Mrs. Lawrence was able to purchase her home October 2004, and today stands proudly on the porch having realized that her dream did come true.

Rockbridge Area Habitat for Humanity, Inc.

The nonprofit organization is an ecumenical Christian ministry that works in partnership with the community to eliminate substandard housing by using volunteers to build safe, decent, and affordable housing in Rockbridge County and in the Cities of Buena Vista and Lexington.

USDA, Rural Development, awarded a Self-Help Technical Assistance Grant in the amount of \$185,640 to Rockbridge Area Habitat for Humanity for the Mutual Self-Help Housing Program. The grant is being used to provide technical and supervisory assistance for the construction of eight homes over a period of two years.

Under the Mutual Self-Help Housing Program, the families must contribute a minimum of 65 percent of the labor "sweat equity" in the houses being built. Each family will work on each other homes under the supervision of the Grantee's construction supervisor. Four homes are currently under construction; one home in the City of Lexington and three homes in the City of Buena Vista. Rockbridge Area Habitat will provide the mortgage financing to the families. To be considered eligible for the program, the families must meet Rural Development income criteria. All four homes must be completed prior to the families moving into their home.

As we celebrated National Homeownership month in June, the dream of owning a home is strong in Rural America. Rural Development is proud to share in the American dream.



Building and Strengthening Communities